

EXHIBIT E

2022 HTA Fiscal Budget

FINANCIAL OVERSIGHT & MANAGEMENT BOARD FOR PUERTO RICO



David A. Skeel, Jr.
Chair

Members
Andrew G. Biggs
Arthur J. González
Antonio L. Medina
John E. Nixon
Justin M. Peterson
Betty A. Rosa

Natalie A. Jaresko
Executive Director

BY ELECTRONIC MAIL

March 4, 2022

Honorable Pedro R. Pierluisi Urrutia
Governor
Commonwealth of Puerto Rico

Dear Governor Pierluisi Urrutia:

Pursuant to the Resolution, a copy of which is attached hereto as Exhibit A (the “Resolution”), adopted by the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), and Section 202(e)(4) of the Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”), the Oversight Board hereby issues to the Governor this compliance certification that the revised fiscal year 2022 budget for the Puerto Rico Highways and Transportation Authority (“HTA”) identified in Exhibit 1 hereto, as developed by the Oversight Board pursuant to section 202(c)(2), is a compliant budget as set forth in the Resolution.

The Oversight Board looks forward to working with the Commonwealth and HTA to accomplish the requirements and goals of PROMESA for the benefit of the people of Puerto Rico.

Sincerely,

David A. Skeel

Andrew G. Biggs
Arthur J. Gonzalez
Antonio L. Medina
John E. Nixon
Justin M. Peterson
Betty A. Rosa

Honorable Pierluisi Urrutia

March 4, 2022

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CC: Ms. Natalia A. Jaresko
Hon. Omar Marrero Díaz
Mr. Edwin González Montalvo
HTA Governing Board

EXHIBIT I

EXHIBIT I: PUERTO RICO HIGHWAYS AND TRANSPORTATION AUTHORITY'S
FISCAL YEAR 2022 REVISED CERTIFIED BUDGET

EXHIBIT I

EXHIBIT I – REVENUES BUDGET

PUERTO RICO HIGHWAY AND TRANSPORTATION AUTHORITY

Section I. – Budget Overview

	FY22 Budget (\$000's)
Toll Fare & Fine Revenues	185,236
Transit Revenues	4,973
Operating FTA Funds	20,000
Other Operating Income	10,270
Total Operating Revenues	220,479
Commonwealth CapEx Funds	143,020
Federal CapEx Funds	263,049
Total Capital Revenues	406,069
Total Consolidated Revenues	626,548
Payroll & Pension Costs	57,867
Toll Highways Administration & Maintenance Costs	45,235
Tren Urbano & Feeder Bus Costs	82,587
Other Operating Costs	51,247
Total Operating Expenses	236,936
Federal Highway Construction Program Costs	157,043
Non-Federal Highway Construction Costs	72,677
Emergency Repair Construction Program Costs	36,497
Transit Construction Program Costs	53,506
Other Capital Costs ¹	49,693
Total Capital Expenses	369,415
Reserve Deposits	6,000
Total Reserve Deposits	6,000
Total Consolidated Expenses	612,351
Balance	14,197

¹ ‘Construction salaries and related benefits’ and “other construction program expenses” have been reclassified as a capital expense and are included within this line item.

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TOLL FARE & FINE REVENUES

	FY22 Budget (\$000's)
Toll fare revenue from current toll rates	138,554
Toll fare revenue from increase in toll rates	4,584
Toll fare revenue from dynamic toll lanes (DTL)	5,500
Toll fare revenue from bi-directional tolling	166
Total Toll Fare Revenues	148,804
Toll fine revenue from existing fine rates	33,870
Toll fine revenue from tiered fine rates	2,562
Total Toll Fine Revenues	36,432
Total Toll Fare & Fine Revenues	185,236

TRANSIT REVENUES

	FY22 Budget (\$000's)
Tren Urbano fare revenue	4,297
Feeder Bus fare revenue	676
Total Transit Revenue	4,973

OPERATING FTA FUNDS

	FY22 Budget (\$000's)
Operating FTA funds	20,000
Total Operating FTA Funds	20,000

OTHER OPERATING INCOME

	FY22 Budget (\$000's)
Other operating income	10,270
Total Other Operating Income	10,270

COMMONWEALTH (“CW”) CAPEX FUNDS

	FY22 Budget (\$000's)
CW CapEx appropriation	53,020
Rollover state CapEx funds	90,000
Total CW Capex Funds	143,020

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FEDERAL CAPEX FUNDS

	FY22 Budget (\$000's)
FHWA Regular Funds	157,044
FHWA "IIJA" Highway Funds	-
FHWA "IIJA" Bridge Funds	-
Total Non-ER FHWA Funds	157,044
FHWA Emergency Funds	33,673
FEMA Emergency Funds	1,619
CARES Emergency Funds	17,607
Total Federal Emergency Funds	52,899
FTA Regular Funds	51,506
FTA "IIJA" Funds	1,600
Total Transit Federal Funds	53,106
Total Federal CapEx Funds	263,049

PAYROLL & PENSION COSTS

	FY22 Budget (\$000's)
Main salaries - non-construction	10,670
Healthcare costs - non-construction	3,086
Christmas bonus - non-construction	181
Early retirement costs - non-construction	6,737
Other labor costs - non-construction	1,434
Total non-construction salaries & related benefits	22,108
Pensions contributions	35,759
Administrative costs	-
Total pensions costs	35,759
Total Payroll & Pension Costs	57,867

TOLL HIGHWAYS ADMINISTRATION AND MAINTENANCE COSTS

	FY22 Budget (\$000's)
Variable electronic toll collection fees	20,646
Highway electricity costs	4,000
Other toll highway administration & maintenance costs	20,589
Total Toll Highways Administration and Maintenance Costs	45,235

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TREN URBANO & FEEDER BUS COSTS

	FY22 Budget (\$000's)
Base fee for Tren Urbano operating contract	48,603
Other costs under Tren Urbano operating contract	3,620
Tren Urbano insurance costs	8,500
Tren Urbano electricity costs	9,129
Other regular Tren Urbano costs	68
COVID-19 special costs	1,100
Total Tren Urbano Costs	71,020
Base fee for Feeder Bus operating contract	8,847
Other costs under Feeder Bus operating contract	1,357
Bus rapid transit costs	1,074
COVID-19 special costs	698
Total Feeder Bus Costs	11,976
Total Tren Urbano & Feeder Bus Costs	82,996

OTHER OPERATING COSTS

	FY22 Budget (\$000's)
Operational ROW payments	7,905
Non-Title III Professional Service Fees	7,276
Title III Professional Service Fees	12,508
Discretionary fund management team	150
Ancillary revenue management team	200
Electricity costs	918
Water supply costs	500
Other operating costs	21,791
Total Other Operating Costs	51,247

FEDERAL HIGHWAY CONSTRUCTION PROGRAM COSTS

	FY22 Budget (\$000's)
Hard costs for regular federal highway construction	132,291
Total federal highway construction hard costs	132,291
Federal soft costs for planning & compliance	24,752
Total federal highway construction soft costs	24,752
Total Federal Highway Construction Program Costs	157,043

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NON-FEDERAL HIGHWAY CONSTRUCTION PROGRAM COSTS

	FY22 Budget (\$000's)
Hard costs for Abriendo Caminos projects - Phase III	26,511
Hard costs for other non-federal highway construction projects	4,224
Local construction costs	9,500
Total non-federal highway construction hard costs	40,235
Soft costs for Abriendo Caminos projects - Phase III	3,030
Non-federal funded project-linked soft costs	21,799
CDBG-DR/MIT state soft costs	5,513
Capital ROW payments	2,100
Total non-federal highway construction soft costs	32,442
Total Non-Federal Highway Construction Program	72,677

EMERGENCY REPAIR CONSTRUCTION PROGRAM COSTS

	FY22 Budget (\$000's)
FHWA funded emergency repair costs	33,673
FEMA funded emergency repair costs	1,619
Local emergency repair costs	1,204
Total Emergency Repair Construction Program Costs	36,497

TRANSIT CONSTRUCTION PROGRAM COSTS

	FY22 Budget (\$000's)
Transit construction costs	53,506
Total Transit Construction Program Costs	53,506

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OTHER CAPITAL COSTS

	FY22 Budget (\$000's)
Main salaries - construction	17,869
Healthcare costs - construction	5,125
Christmas bonus - construction	349
Early retirement costs - construction	-
Other labor costs - construction	4,270
Total construction salaries & related benefits	27,613
Toll optimization costs	18,047
Total toll optimization costs	19,827
Other construction program costs	4,033
Total other construction program costs	4,033
Total other capital costs	48,973

RESERVE DEPOSITS

	FY22 Budget (\$000's)
Reserve deposits for non-Title III litigation costs	6,000
Total Reserve Deposits	6,000

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EXHIBIT I – REVENUES BUDGET (cont.)

**ENFORCEMENT OF THE PUERTO HIGHWAY AND TRANSPORTATION REVISED
FY22 BUDGET**

Section II - All appropriations and expenditures authorized in any prior fiscal year are terminated and no disbursement of public funds may be covered by such expenditure authorizations, except: (1) expenditures to carry out capital improvements that have been accounted for and kept on the books; (2) capital expenditures and equipment expenditures with procurement cycles that extend beyond the end of the fiscal year that have been accounted for and kept on the books; (3) the portion of any other expenditures authorized in the Puerto Rico Highway and Transportation Authority (“HTA”) Certified Budget for the fiscal year 2021; and (4) the portion of the appropriations authorized for fiscal year 2021 that have been encumbered on or before June 30 of such fiscal year. This restriction on expenditures authorized in any prior fiscal year shall not apply to: (i) programs financed in whole or part with federal funds; (ii) orders by the United States district court with jurisdiction over all matters under Title III of PROMESA; and (iii) matters pertaining to any consent decree or injunction, or an administrative order or settlement entered into with a Federal Agency, with respect to Federal programs.

Section III - The funds allocated to the “Reserve deposits for unforeseen non-Title III litigation costs” budget lines in Section 1 are to be kept in an interest-bearing account (separate from other accounts currently in use by HTA to conduct day-to-day operations). The Executive Director shall make monthly deposits (equal to 1/12th of the total amount) to fund the account as established in Section 1 up to the amounts provided therein. Any expenditure or use of the funds from the reserve account must be made in response to circumstances beyond HTA’s control which cause HTA to miss revenue targets and/or exceed expenditure targets. Such expenditures will require prior express and written authorization from the Oversight Board.

Section IV - The funds deposited to the “Reserve deposits for emergencies and unforeseen events” account (Section I of the FY2022 HTA Budget) are to be kept in an interest-bearing account (separate from other accounts currently in use by HTA to conduct day-to-day operations). Any expenditure or use of the funds from the reserve account must be made in response to circumstances beyond HTA’s control which cause HTA to miss revenue targets and/or exceed expenditure targets. Such expenditures will require prior express and written authorization from the Oversight Board.

Section V - Notwithstanding any other statement, no unused budget allotments from any previous fiscal year shall be used by HTA to fund current fiscal year expenditures, except as otherwise expressly authorized in writing by the Oversight Board after June 30, 2021.

Section VI - The appropriations approved in this budget may only be reprogrammed with the prior express written approval of the Oversight Board. For the avoidance of doubt, this prohibition includes any reprogramming of any amount, line item or expenditure provided in this budget, regardless of whether it is an intra-agency reprogramming. Reprogramming, also known as reapportionments, may be made into spend concepts and/or objects not explicitly listed in the

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FY2022 certified budget resolution as long as such requests are submitted to and approved in writing by the Oversight Board.

Section VII - Pursuant to Section 203 of PROMESA, HTA must submit to the Oversight Board, no later than 15 days after the last day of each month of FY2022, a budget to actual report, along with an explanation of relevant variances as provided in the certified Fiscal Plan. The Oversight Board may determine to provide HTA a template to be used for such reporting, in which case any quarterly budget to actual reports submitted by HTA must be submitted consistent with such reporting template.

Section VIII - The Oversight Board reserves the right to, in its sole discretion, issue a notice to the Governor, pursuant to PROMESA Section 202(a), setting forth a schedule for revising HTA's budget.

Section IX - In conjunction with the reports required in these sections, a certification to the Oversight Board must be included stating (1) that no authorized budget amount of any previous fiscal year (except for those covered by the exceptions mentioned herein) has been used to cover any expenditure unless authorized by the express written approval of the Oversight Board.

Section X – The HTA Budget for FY2022 as revised shall take effect on March 4, 2022.